

**ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED**TH97/10561QM TW00/17276EM IATF 0060636
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(Translation)

Ref: EIC-AD043/2019

13 November 2019

Subject: Management Discussion and Analysis for the Performance for Nine-Month Period ended 30
September2019To: President
The Stock Exchange of Thailand

The Board of Directors of Electronics Industry Public Company Limited (the “Company”) No.10/2019 convened on13 November2019 has passed a resolution to certify the financial statements and the performance for the nine-month period ended 30 September 2019 which has been reviewed by the Auditor.

The overall of the Company’s performance can be summarised as follows:

(Unit : Thousand Baht)

Performance (Income Statement)	Q3.2019	Q3.2018	Increase/(decrease)	%
Income				
Revenue from sale of goods	219,905	140,004	79,901	57.07
Revenue from service	56,610	81,443	(24,833)	(30.49)
Total revenue	276,515	221,447	55,068	24.87
Cost of sale of goods	(140,661)	(108,549)	(32,112)	29.58
Cost of service	(34,589)	(42,149)	7,560	(17.94)
Total Costs	(175,250)	(150,698)	(24,552)	16.29
Gross Profit	101,265	70,749	30,516	43.13
Reversal of allowance for doubtful accounts	174,875	-	174,875	100.00
Other income	5,050	5,859	(809)	(13.81)
Profit before Expenses	281,190	76,608	204,582	267.05
Selling expenses	(58,033)	(8,072)	(49,961)	618.94
Administrative expenses	(75,311)	(38,128)	(37,183)	97.52
Directors and managements' remuneration	(18,461)	(11,842)	(6,619)	55.89
Reversal of doubtful accounts	8,370	4,640	3,730	80.39
Gain (loss) on exchange rate	(4,953)	(1,700)	(3,253)	191.35
Total expenses	(148,388)	(55,102)	(93,286)	169.30
Profit (loss) before Finance cost and Income Tax	132,802	21,506	111,296	517.51
Finance cost	(5,870)	(5,577)	(293)	5.25
Profit (loss) before Income Tax	126,932	15,929	111,003	696.86
Income tax expenses	827	(10,495)	11,322	(107.88)
Net Loss for the period	127,759	5,434	122,325	2,251.10

In the 3rd quarter of 2019, the Company's revenue from sales and cost of sales increased when compared with the same interval of last year because the recognition of revenue and cost of food business by started to recognise from Bake Cheese Tart (Thailand) Company Limited in January 2019, Eastern Cuisine (Thailand) Company Limited and Crepe & Co. Development Company Limited in August 2019. The proportion of revenue from sales increased by Baht 79.9 million or equivalent to 57% and gross profit margin from sales was 56%.

However, revenue from service and cost of service decreased when compared with same quarter of year 2018, resulted from the Company sold investment in subsidiary (S.Thana Media Company Limited) who provides service for rent and advertising production since August 2019. The proportion of revenue from service decreased by Baht 24.8 million.

Gain from sales of investment in subsidiary

In the 3rd quarter of 2019, the Company sold the investment in a subsidiary (S.Thana Media Company Limited) to unrelated party in amounting to Baht 380 million and recognised gain from sales on equity method of Baht 175 million.

Reversal of Allowance for Doubtful Accounts

In the 3rd quarter of 2019, the Company and its subsidiaries reversed allowance for doubtful accounts amounting to Baht 8.4 million or equivalent to 80% when compared with same quarter of prior year. Because the Company received the payment of advance for share subscription amounting to Baht 0.9 million. In addition, EIC Semiconductor Co., Ltd. Also received payment from customers who had already set up allowance for doubtful accounts amounting to Baht 7.5 million.

Selling Expenses and Administrative Expenses

Selling and administrative expenses increased by Baht 87.1 million when company with the same interval of prior year mainly due to the recognition of expenses of new investment in January and August 2019. These selling expenses were mainly consist of rental and utilities expenses amounting to Baht 27.8 million, employee expenses amounting to Baht 11.0 million, royalty fee amounting to Baht 2.9 million and marketing fee amounting to Baht 3.3 million. Administrative expenses increased mainly from employee expenses amounting to Baht 6.9 million, depreciation expenses amounting to Baht 5.30 million and law consulting and professional fee amounting to Baht 3.6 million.

Directors and Managements' remuneration

The Company and its subsidiaries' directors and managements' remuneration in the 3rd quarter of 2019 increased by Baht 6.60 million or equivalent to 56% when compared with the same quarter last year because the Company appointed Management team to oversee the effectiveness of all functions during the period.

Loss on Exchange Rate

The Company and its subsidiaries' loss on exchange rate in the 3rd quarter of 2019 were Baht 5million, which increased by Baht 3.3 million when compared with the same quarter of last year due to Baht appreciation, resulting to loss from exchange rate of export sales.

Income Tax Expenses

The Company and its subsidiaries' income tax revenue in the 3rd quarter of 2019 were Baht 0.8 million, resulted from realization of deferred tax assets on employee benefit. Income tax expenses for 3rd quarter of 2018 was mainly from S.Thana Media Company Limited, because of gain from operation, amounting to Baht 6.7 million.

Please be informed accordingly.

Sincerely yours,

(Mrs. SangduanEwbamrung)

Director/Acting Chief Executive Officer